

RESOLUTION NO. R-25-12

A RESOLUTION AMENDING OR REVISING THE 2025 GENERAL FUND, COMMUNITY CENTER AND PARKS SALES TAX FUND, PUBLIC SAFETY SALES TAX FUND, CAPITAL IMPROVEMENT SALES TAX FUND, TRANSPORTATION SALES TAX FUND, CAPITAL EQUIPMENT REPLACEMENT FUND, AND COMBINED WATERWORKS AND SEWER SYSTEM FUND FOR THE CITY OF GLADSTONE, MISSOURI, AND AUTHORIZING EXPENDITURES OF FUNDS.

WHEREAS, The Council of the City of Gladstone, Missouri has determined the need for additional appropriations in the above referenced funds.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:

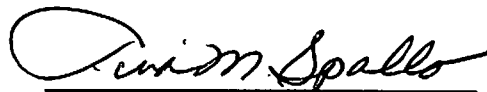
THAT, the General Fund, Community Center Parks Sales Tax Fund, Public Safety Sales Tax Fund, Capital Improvement Sales Tax Fund, Transpiration Sales Tax Fund, Capital Equipment Replacement Fund, and Combined Waterworks & Sewer System Fund be adopted or amended as set forth below:

	FY25 BUDGET RESOLUTION NO. R-24-28	REVISING BUDGET RESOLUTION NO. R-25-XX	EXPENDITURE INCREASE (DECREASE)
<u>General Fund Expenditures</u>	\$23,700,945	\$25,331,277	\$1,630,332
<u>Community Center Parks Sales Tax Expenditures</u>	\$4,795,890	\$5,229,372	\$433,482
<u>Public Safety Sales Tax Fund Expenditures</u>	\$1,130,000	\$1,223,594	\$93,594
<u>Capital Improvement Sales Tax Expenditures</u>	\$2,504,000	\$4,878,700	\$2,374,700
<u>Transportation Sales Tax Expenditures</u>	\$984,000	\$3,394,000	\$2,410,000
<u>Capital Equipment Replacement Expenditures</u>	\$464,000	\$464,000	\$0
<u>Combined Water & Sewerage System Expenditures</u>	\$13,214,010	\$19,237,830	\$6,023,820

RESOLUTION NO. R-25-12

THAT, the City Manager of the City of Gladstone, Missouri is hereby authorized to expend the amounts as shown in the Revised Budgets.

INTRODUCED, READ, PASSED, AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI THIS 24TH DAY OF FEBRUARY 2025.


Tina M. Spallo, Mayor

ATTEST:


Kris Keller, City Clerk



Department of Finance Memorandum

DATE: February 19, 2025
TO: Robert Baer, City Manager
FROM: Matt Dayton, Director of Finance
RE: 2025 Fiscal Year Midyear Budget

With the 2025 fiscal year 50% complete and the 2024 fiscal year closed, we have a better understanding of how revenues, expenses, and fund balances are shaping up for the 2025 fiscal year. Staff begins work on the fiscal year budget several months before year end. Assumptions are made on both revenue and expense using past data, trend analysis, and information on the economic and legal environment. Because budgets are created before the fiscal year begins and needs for government services and programing can change over time, a midyear budget review gives staff and the City Council the opportunity to reevaluate and re-allocate resources where they may be needed to better align the with the current and future goals.

Using the December 2024 interim financial statement as a comparison, revenue at mid-year is pacing slightly below plan at 47.3% of budgeted. Inflows from new sales tax streams continue to generate significant revenue, but general sales tax revenue continues to run below budget primarily due to timing of remittance from the State of Missouri. From an expense perspective, citywide expenses are pacing lower than plan at 47.6% of budgeted. This year-to-date favorability is primarily driven by timing of debt payments, lower supply costs, and open headcount.

As we consider the proposed mid-year budget adjustments, please note that some of the recommended changes in budgeted expenditures are a result of expenditures incurred for items procured in the previous fiscal year but not received until the 2025 fiscal year. Additional recommendations primarily relate to unforeseen or new expenditures, repairs and maintenance, and overtime.

The midyear budget review for fiscal year 2025 is hereby submitted to the City Council for review. This memorandum will provide information on the General Fund, Community Center and Parks Tax Fund (CCPT), Public Safety Sales Tax Fund (PSST), Capital Improvements Sales Tax Fund (CIST), Transportation Sales Tax Fund (TST), Capital Equipment Replacement Fund (CERF), and Combined Water and Sewerage System Fund (CWSS). The comparisons referencing budgeted revenues and expenditures in the narrative are based on the December Interim Financial Report.

GENERAL FUND

Based on the December Interim Financial Statement, overall revenue is trending 3% or \$321,664 higher than the previous year. Material increases (more than \$100,000 over the previous year) include additional general sales tax driven by higher marijuana sales, and due to higher electric gross receipt tax revenue. Other notable increases include higher natural gas gross receipts, state gasoline tax, emergency medical services and building rental revenue. Property tax revenue is currently pacing below budget primarily due to timing of receiving the bulk of property tax revenue until after the end of the calendar year. Staff are recommending an equity adjustment of \$1,630,000 which would provide for budget additions as detailed below.

Recommended changes in budgeted expenditures address the variations in revenue and the needs of the City. Many of the expenditures are "one time" and will not need to be budgeted on a reoccurring basis. Of the \$1,630,000 that was requested for the General Fund adjustments, \$705,333 in additional expenditures are being recommended which include technology upgrades (\$122,950), ambulance engine rebuild and uniforms (\$23,000), payoff of AJ Farm loan (\$270,000), purchase of police interceptors from prior year, vehicle outfitting and ammunition (\$105,039), and purchase of snow plow, promotion of Crew Leader to Deputy Superintendent and street light maintenance and repairs (\$126,000). Total changes in both revenue and expense are \$1,630,000. Total revenue for the General Fund is projected to be \$23,700,945. Total expenditures have increased to \$25,331,277. This will result in a net budgetary fund balance of \$9,602,758 before the required 20% minimum reserve.

COMMUNITY CENTER AND PARK TAX FUND

Revenues for the Community Center and Park Tax Fund (CCPT) through mid-year are pacing at 46.4% of budget including TST Fund transfer of \$786,000. With sales tax collections for the fund being at 48% of projected budget and 2% lower than the same time last year. Charges for services and facility rental are pacing 46% of budget YTD, but have increased \$20,779 or 2% from the previous year.

Total budgeted expenditures through mid-year for the fund are pacing moderately higher than plan at 51.1% of budgeted. The majority of the adjustments requested for the CCPT fund are to replace unbudgeted swimming pool filters and to replace the natatorium video board, along with various equipment maintenance items and significant roofing repairs to the Community Center. Recommended material adjustments for the fund include \$280,000 for swimming pool filters at the Community Center and \$110,000 for the video board. Additional budget adjustments include \$23,600 for other swimming pool repairs, \$5,000 for incidental roofing repairs, and \$13,882 for compensation adjustments. Total projected revenues for the fund are estimated to be \$4,614,100. Expenditures are projected to increase by \$433,482. Ending fund balance is expected to be \$1,495,485

PUBLIC SAFETY SALES TAX FUND

Revenue for the Public Safety Sales Tax Fund is pacing at 48% of plan and behind prior year by \$25,693 or 4.5%. An equity transfer of \$93,594 is being requested to fund the purchase of two additional police vehicles that were budgeted in prior year but not received until this fiscal year, along with the cost to upfit both vehicles. Staff recommend no changes to external revenue projections at this time. . Mid-year expenditures are over budget projections by 8.7% due to the purchase of the two new police interceptors and the associated upfit costs. Additional funding is being recommended to fund these expenditures. Total budgeted expenditures are estimated to be \$1,223,594. Projected ending fund balance for PSST Fund is \$571,794

CAPITAL IMPROVEMENT SALES TAX FUND

Changes in revenue from prior year for the CIST Fund are mainly due to the resolution ARPA funding distributions. Sales tax received is 2% over the same time last year Total revenues for the fund are projected to be \$4,135,000 which includes a \$925,000 transfer from the general fund to maintain required minimum fund balance.

Changes to the fund's expenditure from the prior authorized Capital Improvement plan include:

- City Hall Improvements and Ice Treatment : \$60,000
- NE 68th Ter and N. Bellefontaine Storm Drainage: \$550,000
- NE 76th Ter Storm Drainage & Parking: \$78,200
- Miscellaneous Stormwater Projects: \$75,000
- NE 72nd Tennis Pickle ball Court Conversion: \$(68,500)
- Flora Park ADA Playground: \$250,000
- Gladstone/KCMO Joint Dog Park: \$250,000
- AJ Farm Improvements: \$800,000
- Downtown Lighting: \$380,000

The net effect of these changes requires an additional \$1,449,700 in budget expenditure authority to execute as planned.

TRANSPORTATION SALES TAX FUND

Revenue for the Transportation Sales Tax Fund are in-line with projections.

The following changes are requested to the previously authorized capital improvement plan:

- Street Mill & Overlay Program updates: \$950,000
- Intermediate Maintenance cost updates: \$200,000
- N. Oak Complete Streets - NE 69th St to NE 72nd St: \$260,000
- Curb, Gutter, Sidewalk Replacement cost updates: \$300,000
- Linden Connector Trail cost estimation updates: \$700,000

The net effect of these changes requires an additional \$2,410,000 in budgetary expenditure authority.

CAPITAL EQUIPMENT REPLACEMENT FUND

Revenues received for the Capital Equipment Replacement Fund are pacing lower than prior year as of December 31st by \$134,088 and below plan by \$11,892 or 2.5% primarily due to lower sales tax and miscellaneous revenue. At this time, staff does not recommend and changes in budget authority or revenue estimations.

COMBINED WATERWORKS AND SEWERAGE SYSTEM (CWSS) FUND

Actual revenues for the CWSS Fund are in line with mid-year projections at 50.4% of budgeted. Usage revenue is lower by \$33,550, but is offset by higher interest revenue of \$33,887. Revenues for the CWSS fund are projected to be \$13,214,010.

Staff is recommending increases in budget for water plant improvements (\$3,000,000), for water tower project (\$2,000,000), for water main replacements (\$750,000), for sewer cleaning contract & back-ups, for increased lime expenses due to increase usage and price increases, for upgrade to water meter reading system (\$60,000), and for cell service at water locations (\$960). Total expenditures for the CWSS fund are projected to be \$19,237,830. Projected ending fund balance for the fund will be \$13,300,897

CONCLUSION

In conclusion, the General Fund, the Community Center Park Tax Fund, the Public Safety Sales Tax Fund, Capital Improvement Sales Tax Fund, Transportation Sales Tax Fund, and Combined Water and Sewer System Fund will end the fiscal year with a positive fund balance and within policy. These adjustments will assist staff in carrying out council goals and give the City the flexibility needed to continue and improve operations at the City. Additional information will be available after the closing of the debt issue projected be in March.

Staff recommend changing the budget authority in aggregate as presented below:

- General Fund: \$1,630,332
- Community Center Parks Fund: \$433,482
- Public Safety Sales Tax Fund: \$93,594
- Capital Improvement Sales Tax Fund: \$1,449,700
- Transportation Sales Tax Fund: \$2,410,000
- Combines Sewerage and Waterworks Fund: \$6,023,820
- Total increase in budgetary authority: \$12,040,928

A resolution to amend the 2025 Budget based on recommended budgets will be placed on the Council agenda for consideration on February 24, 2025. If you have any questions, please contact me at your convenience.

A handwritten signature in black ink, appearing to read "Matt Dayton", with a stylized flourish at the end.

Matt Dayton

Director of Finance



Request for Council Action

RES ☒ # R-25-12

BILL ☐ # City Clerk Only

ORD ☐ # City Clerk Only

Date: 2/19/2024

Department: Finance

Meeting Date Requested: 2/26/2024

Public Hearing: Yes ☐ Date: [Click here to enter a date.](#)

Subject: Amending 2025 Fiscal Year Budget

Background: The 2025 Midyear Budget review was presented to the City Council on February 10, 2025 during an open study session. Staff recommendation s will be on the agenda for City Council approval.

Budget Discussion: N/A

Public/Board/Staff Input: Staff is recommending that the 2025 budget be amended as presented in the February 10th open study session. Study session memo and exhibits to follow the RCA and Resolution.

Provide Original Contracts, Leases, Agreements, etc. to: City Clerk and Vendor.

Matt Dayton
Department Director/Administrator

JA
City Attorney

BB
City Manager